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Before the
Federal Communications Commission
Washington, D.C. 20554

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In the Matter of	)	
	)	
Federal-State Board on Universal Service	)	CC Docket No. 96-45
	)	
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FEDERAL-STATE JOINT BOARD REVIEW OF LIFELINE AND LINK-UP SERVICE FOR ALL LOW-INCOME CONSUMERS

REPLY COMMENTS OF

THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS, ALLIANCE FOR COMMUNITY MEDIA, APPALACHIAN PEOPLE'S ACTION COALITION, CENTER FOR DIGITAL DEMOCRACY, CONSUMER ACTION, CONSUMER FEDERATION OF AMERICA, EDGEMONT NEIGHBORHOOD COALITION AND MIGRANT LEGAL ACTION PROGRAM

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SUMMARY

In their initial comments, USCCB, *et al.* urged the Joint Board to recommend that the Commission modify its Lifeline rules to: (1) include an income-based eligibility standard of 150 percent of the federal poverty guidelines and allow self-certification of eligibility; (2) expand the list of public assistance programs that establish eligibility for Lifeline; (3) require outreach programs targeted at low-income individuals and annual reporting of carriers' outreach efforts; and (4) prohibit carriers that do not offer toll blocking from requiring deposits as a condition of participation in Lifeline. In these reply comments, USCCB, *et al.* respond to concerns raised by a few parties concerning the need for substantive change in Lifeline eligibility criteria.

USCCB, *et al.* note that there is broad consensus among commenters that the current Lifeline program is not effectively reaching a large number of low-income Americans. Statistics indicating that 22 states have Lifeline penetration rates below 10 percent of low-income households, such as those provided by the National Consumer Law Center, demonstrate that the eligibility and outreach components of the Lifeline program require a substantial overhaul.

In order to increase Lifeline take-rates, USCCB, *et al.* strongly urge the Joint Board to recommend the addition of an income-based eligibility requirement. Such an income-based standard garnered the support of a majority of the parties participating in this proceeding who, along with USCCB, *et al.*, noted the success of income-based eligibility in a number of states such as California and Vermont. While USCCB, *et al.* note that a few parties raised concerns about "fraud" or "abuse," it is critical to note that no parties raised any specific examples of abuse in existing income-based eligibility programs.

USCCB, *et al.* also urge the Commission to adopt rules that further state efforts to

encourage automatic enrollment in Lifeline based on participation in other public assistance programs. As other parties demonstrated, such as the Civil Rights Forum on Communications Policy, automatic enrollment efforts have been extremely successful in New York and Ohio. Furthermore, concerns raised by certain parties regarding privacy issues and customer concerns are overstated. In states currently utilizing automatic enrollment, successful efforts have been made to insure that state public assistance data utilized by carriers is kept confidential, and that customers are notified when added to the Lifeline program.

Finally, USCCB, *et al.* note that there was very broad agreement on the need for expanded outreach efforts. Many parties, such as the Public Utility Commission of Ohio, noted that many low-income households are currently completely unaware that a Lifeline program even exists. Accordingly, USCCB, *et al.* urge the Joint Board to recommend that the Commission adopt the revised outreach rules delineated in USCCB, *et al.*'s initial comments.

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The United States Conference of Catholic Bishops, Alliance for Community Media, Appalachian People's Action Coalition, Center for Digital Democracy, Consumer Action, Consumer Federation of America, Edgemont Neighborhood Coalition and Migrant Legal Action Program ("USCCB, *et al.*"),[1] through undersigned counsel, hereby submit the following reply comments.[2]

In initial comments, USCCB, *et al.* urged the Joint Board to recommend that the Commission modify its Lifeline rules to: (1) include an income-based eligibility standard of 150 percent of the federal poverty guidelines and self-certification of eligibility; (2) expand the list of public assistance programs that establish eligibility for Lifeline; (3) require expanded outreach

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[1]USCCB, *et al.* are religious and non-profit organizations that advocate for the interests of low-income individuals and their families.

[2]*See Federal-State Joint Board on Universal Service Seeks Comment on Review of Lifeline and Link-Up Service for All Low-Income Consumers*, CC Docket 96-45 (rel. Oct. 12, 2001).

programs targeted at low-income individuals and annual reporting of carrier's outreach efforts; and (4) prohibit carriers that do not offer toll blocking from requiring deposits as a condition of participation in the Lifeline program.[3]

In these reply comments, USCCB, *et al.* note the broad support for changes in the Lifeline eligibility rules that will allow the program to reach all low-income Americans through income-based eligibility, and respond to the concerns of a few parties regarding possible fraud associated with income-based eligibility. In addition, USCCB, *et al.* urge the Commission to expand efforts to encourage automatic enrollment through expanded coordination between carriers and state agencies. Finally, USCCB, *et al.* reiterate their call for specifically targeting Lifeline outreach efforts to low-income households.

I. The Current Lifeline Program Is Not Meeting Section 254's Mandate That All Low-Income Consumers Have Access to Telecommunications Services

Section 254(b)(4) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Act") specifically states that "consumers in all regions of the Nation, including low-income consumers. . .should have access to telecommunications and information services. . . ."[4] Unfortunately, national and state-by-state statistics demonstrate that the current Lifeline program is only reaching a fraction of low-income households.

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[3] *See* USCCB, *et al.* Comments at 3.

[4] 47 U.S.C. §254(b)(4).

A. Data Submitted By a Number of Commenters Indicate That the Current Lifeline Program Is Only Reaching a Fraction of Low-Income Consumers

Detailed statistics presented by a number of parties demonstrate that the current Lifeline program is not adequately serving low-income consumers. For example, statistics presented by the Universal Service Administrative Company ("USAC") show that there are 30 states where Lifeline reaches less than 20 percent of all households below 150 percent of the federal poverty line.[5] Even more startling, the USAC survey notes than in 16 of those states, Lifeline reaches less than 10 percent of the target population.[6]

The current low levels of Lifeline penetration are also reflected in statistics presented by the National Consumer Law Center.[7] The NCLC study used the number of Lifeline households by state divided by the number of households in that state enrolled in the Low-Income Home Energy Assistance Program.[8] LIHEAP is generally available for households with incomes at or below 150 of the federal poverty guidelines, although some "high-cost" states have higher

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[5]*See* Comments of Universal Service Administrative Company at Attachment 1 (hereinafter "UAC Comments").

[6]*See id.*

[7]*See* Comments of the National Consumer Law Center on Behalf of Massachusetts Union of Public Housing Tenants at 2-4 (hereinafter "NCLC Comments").

[8]*See id.* at 3 (noting that the NCLC study defined "penetration rate as the number of households enrolled in Lifeline divided by the number of households eligible for LIHEAP (Low-Income Home Energy Assistance Program) assistance, based on each state's own LIHEAP eligibility criteria"). USCCB, et al. believe the LIHEAP-Lifeline comparison is the best benchmark for determining penetration because it compares two programs that benefit an entire household and relies on household income for eligibility. Accordingly, there should be a close correlation between households eligible for LIHEAP and households that would be eligible for Lifeline under a 150 percent of poverty level income-based eligibility standard.

income thresholds.[9] The NCLC study roughly duplicated the general results of the USAC study, and found that 22 states had penetration rates below 10 percent of all households receiving LIHEAP assistance.[10]

B. Changes in Eligibility for Many Public Assistance Programs Have Made It Impossible For Many Low-Income Households to Receive Lifeline Service

The USAC and NCLC statistics, along with the national statistics presented by USCCB, *et al.* in initial comments, clearly indicate a serious problem with the reach of the current Lifeline program. Much of the current low enrollment in the Lifeline program is due to the fact that most state Lifeline programs, as well as the federal default rules, limit Lifeline enrollment to those who are already enrolled in other public assistance programs.[11]

USCCB, *et al.* note, for example, that the four states listed by the NCLC comments as having the lowest Lifeline penetration rates all tie eligibility for Lifeline to enrollment in other

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[9]*See id.* at 3. See also 42 U.S.C. § 8624(b)(2)(B) (stating that the maximum income level for determining LIHEAP eligibility is 150 percent of the federal poverty guidelines except in cases where sixty percept of the state's median income is higher). In certain "high cost" states, such as Connecticut, the statute allows LIHEAP eligibility to be set at "an amount equal to 60 percent of the State median income." 42 U.S.C. § 8624(b)(2)(B)(ii).

[10]*See id.* at 4. USCCB, *et al.* note that the USAC statistics list two states, California and Maine, as having a larger number of Lifeline recipients than Medicaid recipients. While certain parties have sought to portray these numbers as indications of "fraud or abuse" in those state programs, there are a number of households making less than 150 percent of the federal poverty guidelines that do not enroll in Medicaid, but are still eligible for Lifeline. To the extent that the NCLC statistics look at households eligible for LIHEAP rather than those actually enrolled, USCCB, *et al.* believe that it provides a more accurate picture of Lifeline penetration among actual low-income households than the USAC statistics.

[11]*See* Comments of the National Association of State Utility Consumer Advocates at 7-10 (noting that welfare reform has "limited eligibility for the low-income programs that allow customers to receive lifeline").

public assistance programs.[12] Due to effects of welfare reform, the number of households enrolled in programs that provide a link to Lifeline have decreased substantially. The National Association of State Utility Consumer Advocates ("NASUCA"), for example, notes that the number of "families receiving cash welfare fell 52 percent" between 1996 and 2001, and that the number of families receiving food stamps dropped 34 percent during that period.[13] While some of these households may have left public assistance programs due to higher incomes, many households have been removed from public assistance rolls due to tightened eligibility rules,

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[12]*See* NCLC Comments at Attachment A (listing Maryland, Delaware, Louisiana, Wyoming and West Virginia as the states with the lowest Lifeline penetration rates). None of the incumbent ETCs in these states allow either automatic or income-based Lifeline enrollment. *See, e.g.* LifelineSupport.org, Lifeline and Link-up for Verizon Customers in Maryland, available at http://lifelinesupport.org/states/md/verizonmd.html (noting that eligibility for the Verizon Maryland Lifeline program is based solely on enrollment in Supplemental Security Income ("SSI"), state funded public assistance, or certain other state and federal social service programs); LifelineSupport.org, Lifeline and Link-Up for Verizon Customers in Delaware, available at http://lifelinesupport.org/states/de/verizonde.html (noting that eligibility for the Verizon Delaware Lifeline program is based solely on participation in Food Stamps, LIHEAP, Mediacaid, Federal Public Housing Assistance, Delaware Welfare to Work or SSI); LifelineSupport.org, Lifeline and Link-Up for BellSouth Customers in Louisiana, available at http://lifelinesupport.org/states/la/bellsouthla.html (noting that eligibility for the BellSouth Louisiana Lifeline program is based solely on enrollment in Food Stamps, LIHEAP, Mediacaid, Federal Public Housing Assistance or SSI); LifelineSupport.org, Lifeline and Link-Up for Qwest Customers in Wyoming, available at http://lifelinesupport.org/states/wy/qwest.html (noting that eligibility for the Qwest Wyoming Lifeline program is based solely on participation in Food Stamps, SSI, LIHEAP, Medicaid, AFDC, and the POWER program).

[13]*See* NASUCA Comments at 7. *See also* Pamela Loprest, The Urban Institute, *How Are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers*, National Survey Series B, No. B-36 (April 2001) (noting that since "passage of the Personal Responsibility and Work Opportunity Reconciliation Act (popularly known as welfare reform) in 1996, welfare caseloads have declined almost 50 percent nationally) (hereinafter "*Urban Institute Study*").

including mandatory time limits in many programs.[14] Accordingly, even though many low-income households still have the same need for Lifeline assistance, many are prohibited from obtaining Lifeline by the operation of outdated eligibility standards that have failed to keep up with changes in public assistance program eligibility.

II. Income-Based Lifeline Eligibility Will Dramatically Improve Low-Income Access to Telecommunications Services

Of those parties taking a position on eligibility issues, a majority agree that adding an income-based eligibility requirement to the Commission's Lifeline rules is key to improving telephone penetration among low-income households.[15] In support of the income-based criteria,

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[14]*See Urban Institute Study* at 2 (stating that "as families grow nearer to using up their time-limited TANF benefits or have already exhausted benefits, fewer are opting to (or able to) return").

[15]*See* NASUCA Comments at 15-18 (urging adoption of 150% of federal poverty guideline as eligibility criteria); NCLC Comments at 13 (supporting an income-based enrollment option); Comments of the Civil Rights Forum on Communications Policy at 8 (recommending "an income based provision qualifying individuals who make 150% of the federal poverty guidelines") (hereinafter "Civil Rights Forum Comments"); Comments of Dollar Energy Fund, Inc. at 2 (advocating income-based eligibility); Comments of Gila River Telecommunications, Inc. at 3 (advocating income-based eligibility for Lifeline on tribal lands); Comments of the Colorado Department of Human Services, Office of Self-Sufficiency and the Colorado Office of Consumer Counsel at 10 (advocating generally a national eligibility standard based on the LIHEAP eligibility standard); Comments of the Public Utility Commission of Ohio at 8 (recommending a national "income-based criteria at 150 percent of the poverty level) (hereinafter "PUCO Comments"); Comments of the Tennessee Regulatory Authority at 10 (stating that "criteria for telephone assistance programs should remain income based" and that the FCC should "set a floor qualification criteria for the telephone assistance programs"); Comments of Western Wireless at 3 (advocating income-based eligibility); Comments of the Confederated Tribes of the Umatilla Indian Reservation at 2 (advocating generally income-based eligibility); Comments of the Oklahoma Corporation Commission at 3 (stating that "income level can be added to the existing criteria); Comments of the Minnesota Department of Commerce, Minnesota Department of Human Services and Minnesota Office of Attorney General- Residential and Small Business Utilities Division at 3 (advocating eligibility for those with household incomes below 150 percent of the federal poverty guidelines); Comments of BellSouth Corporation at 2

state success with income-based criteria and the trend toward adoption of income-based eligibility in state Lifeline programs were generally cited, as detailed below.

A. States and Individual ETCs Utilizing Income-Based Eligibility Have Much Higher Lifeline Take Rates

A number of commenters noted that state Lifeline programs utilizing income-based eligibility generally have much higher take rates than states that based eligibility solely on enrollment in other public assistance programs. USAC, for instance, notes that three of the six states with the highest Lifeline participation rates, California, Vermont and New York, allow enrollment based on income.[16] The success of states utilizing income-based enrollment is also replicated in NCLC's statstics, which show that California and Vermont both have the two highest levels of Lifeline penetration in the country.[17]

Furthermore, as USCCB, *et al.* noted in initial comments, the experience in Vermont shows that a switch to income-based enrollment directly correlates to increased Lifeline take rates and telephone penetration among low-income households.[18] As income-based Lifeline eligibility was introduced in Vermont, the number of households enrolled in Lifeline jumped from 25,737 at the end of 1999 to 32,470 at the end of 2000.[19] Perhaps more significant,

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(advocating eligibility for households at or below 125 percent of the federal poverty guidelines "as a counterweight to the reductions that may be associated with the reduced participation in social service programs").

[16]*See* USAC Comments at 8-13.

[17]*See* NCLC Comments at Attachment A.

[18]*See* USCCB, *et al.* Comments at 8-9.

[19]*See* USCCB, *et al.* Comments at 8-9; *see also* Vermont Department of Public Service, Annual Report of the Lifeline Telephone Program: Filed in Compliance with 30 V.S.A. §

however, were the Commission's statistics showing that telephone penetration among Vermont households making less that $10,000 a year increased from 89 percent in 1999 to 92.9 percent in 2000.[20] Accordingly, USCCB, *et al.* believe these figures provide uncontroverted statistical evidence of the success of state Lifeline programs that currently utilize income-based eligibility.

B. A Number of States Have Recently Added Income-Based Eligibility to Their Lifeline Programs

Much of the impetus behind the move to income-based eligibility criteria on the state level has arisen out of studies showing that low-income households respond much more favorably to income-based eligibility, rather than eligibility criteria tied to traditional public assistance programs. The Public Utility Commission of Ohio's ("PUCO") initial comments, for example, contained a survey of 343 households in the Ameritech Ohio service area prepared by Wirthlin Worldwide for Ameritech ("Ameritech Study"). The purpose of this survey was to determine barriers to Lifeline eligibility.[21] The Ameritech Study indicated that 64 percent of the people surveyed believed that "no amount of public assistance would help them get and keep local telephone service."[22] In addition, 42 percent of the respondents stated that they "do not

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218(c)(4) and Including the Vermont Telecommunications Relay Service and the Link Up Vermont Program, at 12 (rel. Mar. 1, 2001).

[20]*See* USCCB, *et al.* Comments at 9; *see also* Vermont Department of Public Service, Annual Report of the Lifeline Telephone Program: Filed in Compliance with 30 V.S.A. § 218(c)(4) and Including the Vermont Telecommunications Relay Service and the Link Up Vermont Program, at 12 (rel. Mar. 1, 2001).

[21]*See* PUCO Comments at 3, Attachment A (referencing "Non-Phone Quantitative Study: Final Report," prepared by Wirthlin Worldwide in December 2000 (hereinafter "Ameritech Study")).

[22]*See* Ameritech Study at 74 (noting that the "lowest income groups are, ironically, most likely to believe they would not be eligible for financial help").

want to receive public assistance" that would qualify them for Lifeline.[23] Both of these statistics appear to indicate that many of those surveys objected to possible participation when Lifeline was grouped with traditional "welfare" or public assistance programs. However, respondents were far more receptive to the Lifeline program when it was presented as an income-based assistance program. In fact, 70 percent of households indicated that they were either "extremely interested" or "very interested" in signing up for Lifeline if eligibility were based on income.[24]

In initial comments, USCCB, *et al.* noted that income-based eligibility is used in California, Vermont and Tennessee.[25] In addition, Texas recently adopted income-based eligibility, and is in the process of implementing the new eligibility criteria.[26] Immediately prior to the time USCCB, *et al.*'s comments were filed, the Public Utility Commission of Ohio ("PUCO") also adopted income-based Lifeline eligibility for incumbent local exchange carriers that opt-in to the PUCO's alternate regulation plan.[27] The PUCO's adoption of the income-based standards was based primarily on comments and research, such as the Ameritech study, showing that income-based eligibility programs are received much more favorably by low-income consumers than eligibility standards that are strictly tied to eligibility in other public assistance

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[23]*See id.*

[24]*See id.* at 104.

[25]*See* USCCB, *et al.* Comments at 8-10.

[26]*See id.* at 11-12; *see also* 16 TEX. ADMIN. CODE § 26.412(b) (Westlaw 2001).

[27]*See In the Matter of the Commission Ordered Investigation of an Elective Alternative Regulatory Framework for Incumbent Local Exchange Companies*, PUCO Case No. 00-1532-TP-COI, Opinion and Order, at 39 (Dec. 6, 2001) (stating that "we find the 150 percent of the federal poverty level appropriate").

programs that are perceived as "welfare."[28] In light of the strong state trend towards income-based Lifeline eligibility, USCCB, *et al.* urge the Joint Board to recommend that the Commission modify the Lifeline rules to require income-based eligibility nationwide.

C. Self-Certification Provides an Efficient Verification Method

With regard to verification of income-based Lifeline eligibility, a wide variety of parties supported the use of self-certification as an efficient and effective method of verifying eligibility based on income.[29] A few parties, however, raised concerns that self-certification could possibly increase incidents of fraud in the program. SBC Communications, Inc. ("SBC"), for instance, states that self-certification could be "an invitation for some consumers to engage in regulatory arbitrage or even fraud."[30] Similarly, WorldCom, Inc. ("WorldCom") states that the use of self-certification "could increase fraud and abuse and unnecessarily increase the size of the universal service support mechanism."[31] USCCB, *et al.* believe that both of these concerns are misplaced.

With regard to self-certification "fraud or abuse," it must be noted that neither SBC nor

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[28]*See* PUCO Comments at 2 (noting that the "research and results of two Ohio non-telephone household studies provide a strong basis for including income criteria as eligibility for Lifeline").

[29]*See, e.g.* PUCO Comments at 4 (recommending "self-certification of income eligibility"); NASUCA Comments at 24 (noting success of self-verification in Cincinnati Bell territory); NCLC Comments at 13 (stating that households "not enrolled in any government program should be allowed to apply for Lifeline through an initial self-certification process, subject to later verification").

[30]Comments of SBC Communications, Inc. at 3 (hereinafter "SBC Comments").

[31]Comments of WorldCom, Inc. at 4 (hereinafter "WorldCom Comments").

WorldCom presents any factual backing for their assertions that self-certification leads to fraud.[32] In fact, the only general assertion provided by either party is WorldCom's inference that California's self-certification standard somehow leads to abuse because California receives, per-capita, a larger share of federal Lifeline funds than other states.[33] WorldCom, however, ignores the fact that this disparity is likely more related to the fact that California's Lifeline penetration rate is higher than any other state, rather than related to any widespread fraudulent activity. In fact, WordCom fails to even point out one instance of specific fraudulent practices in California or in any other Lifeline program.[34]

On the other hand, a number of other parties provide specific data noting the success of self-certification in areas where it is currently used. As NASUCA's comments note, the Michigan Attorney General's office has been unable to locate any claims of fraud and abuse in the self-certification component of Michigan's income-based Lifeline program.[35] Similarly, Cincinnati Bell Telephone ("CBT"), which verifies Lifeline eligibility through the use of self-certification, noted in comments to the PUCO that self-certification is "a cost-effective

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[32] *See* SBC Comments at 3 (noting only that it "is an invitation for some consumers to engage in regulatory arbitrage or even fraud"); WorldCom Comments at 4.

[33] *See* WorldCom Comments at 4 (failing to provide any specific instances of fraud in Californis's Lifeline program).

[34] *See id.*

[35] *See* NASUCA Comments at 25 (noting that "in a telephone discussion with a representative of the Michigan Attorney General's office, there have not been any claims by Ameritech Michigan of any fraud or abuse").

alternative where automatic enrollment is not feasible."[36]

It is also important to point out that USCCB, *et al.*'s self-certification proposal, along with most of those proposed by other commenters, would require that a customer certify eligibility under penalty of perjury.[37] In addition, USCCB, *et al.*'s proposal would allow for auditing that would effectively deal with any limited instances of fraud.[38] Accordingly, USCCB, *et al.* urge the Joint Board to reject the unsubstantiated assertions of SBC and WordCom, and adopt self-certification as the verification mechanism for national income-based Lifeline eligibility.

III. Numerous Commenters Support Measures That Encourage States to Adopt Automatic Enrollment Programs

A large number of parties also urged the Joint Board to recommend that the Commission adopt proposals to increase the use of automatic enrollment by state Lifeline programs.[39] NASUCA, for instance, notes that a number of states have "found automatic enrollment to be an extremely effective and efficient way to increase enrollment in their lifeline programs."[40] Similarly, the initial comments of the Civil Rights Forum on Communications Policy ("Civil

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[36]*In the Matter of the Commission Ordered Investigation of an Elective Alternate Regulatory Framework for Incumbent Local Exchange Companies*, PUCO Case No. 00-1532-TP-COI, Initial Comments of Cincinnati Bell Telephone Company, at 13 (filed April 16, 2001).

[37]*See* USCCB, *et al.* Comments at 13, n.53.

[38]*See id.*

[39]*See, e.g.* NASUCA Comments at 22; Civil Rights Forum Comments at 3-4 (noting success of automatic enrollment in New York State); NCLC Comments at 10 ("ETCs should utilize automatic enrollment techniques wherever feasible"); PUCO Comments at 5 ("Automatic enrollment is also a critical feature of an effective Lifeline program.").

[40]NASUCA Comments at 19.

Rights Forum") notes that the use of automatic enrollment in New York has helped to increase "the number of people participating in Lifeline in 1987 from 197,339 to 703,001 in 1998."[41]

A few parties, however, raised two concerns over the use of automatic enrollment. The first area of concern appears to center on the efficiency of the automatic enrollment process. SBC, for example, claims that automatic enrollment programs result in "enormous administrative burdens and expense."[42] In support of this contention, SBC states that it reviewed 15,265 records provided by the Ohio Department of Jobs and Family Services ("Ohio DJFS"), and was only able to enroll 487 customers in the Lifeline program as a result of that review.[43]

USCCB, *et al.* question SBC's analysis for two main reasons. First, SBC's claim that automatic enrollment somehow fails appears to be based on a small sample, and appears to contradict the experience of CBT and Verizon, which operate in the same state using the same lists from Ohio DJFS. As NASUC points out, CBT had 2800 customers in its Lifeline program in June 1999 prior to the use of automatic enrollment.[44] After the implementation of automatic enrollment in September 1999, the number increased to 5600.[45] Similarly, Verizon's Lifeline enrollment rose from 10,740 in January 2001, prior to the use of automatic enrollment, to 39,065 after automatic enrollment was fully implemented.[46] Accordingly, based on available evidence,

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[41]Civil Rights Forum Comments at 3.

[42]SBC Comments at 4.

[43]*See id.*

[44]*See* NASUCA Comments at 20.

[45]*See id.*

[46]*See* NASUCA Comments at 20.

it would appear that SBC's failure to enroll a larger number of Lifeline customers is based on internal processing failures, rather than a lack of households actually eligible to receive Lifeline service. Second, even to the extent that SBC's "yield" in its first Ohio automatic enrollment attempt may have been "low" by its standard, it is still important to note that 487 low-income households received Lifeline service as a result of the automatic enrollment effort – certainly an improvement over the status quo.[47]

The other concern raised by the Regulatory Commission of Alaska ("RCA"), SBC and Verizon involves "privacy" issues. The RCA, for example, states that state agencies may have privacy-oriented concerns that may prohibit them from turning lists over to telephone companies.[48] In addition, the RCA, SBC and Verzon state that some customers may be unhappy with an automatic conversion to the Lifeline program.[49] USCCB, *et al.* believe that both concerns are misplaced. With regard to privacy concerns involving the sharing of data, no specific instances of any problems are cited. In addition, as NASUCA notes, eligibile telecommunications carriers ("ETCs") in states utilizing automatic enrollment have generally been able to execute privacy agreements with state social service agencies guaranteeing that public assistance data will be used solely for the purpose of enrolling eligible households in the

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[47]*See* SBC Comments at 5 (noting that "only 487 customers" were added in November 2001).

[48]*See* Comments of the Regulatory Commission of Alaska at 4 ("Privacy issues may complicate implementation.");

[49]*See id.* (stating that "consumers may object to their names being turned over to a telephone utility").

Lifeline program.[50]

Second, with regard to the possible customer concerns raised by the RCA, SBC and Verizon, it is important to note that no specific instances of consumer concern have been stated by any of the objecting parties. SBC states that it has "anecdotal evidence" that some consumers in Nevada have expressed concern over the "perceived stigma" associated with participation in the Lifeline program.[51] However, SBC provides no statistics or data to back this assertion. In addition, it must be noted that any conversion from "regular" basic local telephone service to Lifeline service is generally seamless, and causes no interruption to the consumer's ability to make or receive calls. To the extent that a consumer wishes to be "re-converted" after automatic enrollment, it should present little to no difficulty for either the consumer or the ETC.

IV. The Need for Expanded Outreach Has Almost Unanimous Support Among Parties Providing Comments in This Proceeding

The vast majority of commenters agreed that the Commission's current Lifeline outreach provisions are too weak, and should be expanded.[52] Some of the best evidence of the need for dramatic change was contained in the Ameritech Study, which noted that only 14 percent of the

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[50]*See* NASUCA Comments at 21, n.52 ("The experience thus far is that confidentiality can be maintained even while effective use of the information for the lifeline program occurs.").

[51]SBC Comments at 5.

[52]*See, e.g.*, BellSouth Comments at 4 ("State and federal agencies, state commissions and eligible telecommunications carriers must play a part in making potential participants aware of the programs."); Civil Rights Forum at 7 (noting that "in order for penetration rates to increase in more states, telephone companies must either be given greater incentives or required to promote Lifeline and Link-Up to a greater extent"); NASUCA Comments at 33 (noting that "outreach and education efforts are a vital component of a successful lifeline program"); NCLC Comments at 10 (listing a number of specific outreach efforts).

people surveyed were aware of Ameritech's state Lifeline plan,[53] and only 10 percent were aware of the federal Lifeline program.[54] These statistics reflect the need for specific, targeted outreach plans. Accordingly, USCCB, *et al.* reiterate their call for the Joint Board to recommend that the Commission adopt the outreach component detailed in USCCB, *et al.*'s initial comments.

[53]*See* Ameritech Study at 88 (noting that prior to an interview only "one-in-seven consumers is aware of USA Plan #1 (14%)").

[54]*See id.* at 97 (noting that prior to an interview only "one-in-ten consumers is aware of USA Plan #2").

CONCLUSION

The initial comments provided by USCCB, *et al.* and other parties provide detailed evidence of the need to revise the Commission's current Lifeline eligibility and outreach rules in order to fully implement Congress' command that all low-income Americans have access to telecommunication services. Accordingly, USCCB, *et al.* again urge the Joint Board to recommend that the Commission modify the current Lifeline rules to provide for: (1) an eligibility requirement based on an income level of 150 percent of the federal poverty guidelines, with self-certification of eligibility; (2) the inclusion of additional federal public assistance programs that "qualify" households for Lifeline and Link-Up benefits; (3) further outreach requirements targeted at low-income consumers and annual outreach reporting requirements; and (4) no deposit requirement for Lifeline and Link-Up recipients, regardless of whether a carrier offers toll-blocking service.

Respectfully submitted,

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Dated: February 28, 2002

CERTIFICATE OF SERVICE

I, Christopher R. Day, hereby certify that I have on this 28th day of February, 2002, sent via U.S. Mail, postage prepaid, copies of the "Reply Comments of United States Catholic Bishops, et al." to the following:

Martha Hogerty, Public Counsel
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